

OIL AND GAS LEASE
(PAID-UP)FILED
TARRANT COUNTY TEXAS

2010 APR 21 PM 2:47

THIS OIL AND GAS LEASE (PAID-UP) ("this Lease"), dated and effective as of the 9 day of March, 2010, is entered into by and between Phil Stover as Chairperson of Trustees, Al Swack, Dwight King, Debbie Key, Hugh Calhoun, Brian Baggett, Chuck Newman Jimmie Thompson as Trustees of First United Methodist Church of Mansfield, Texas, whose address is 777 Walnut Creek Dr., Mansfield, Texas 76063, as Lessor and GRANITE RESOURCES, LLC, a Texas limited liability company, whose address is 555 Republic Drive, Suite 113, Plano, Texas 75074, as Lessee. All portions of this lease, including the completion of blank spaces, were negotiated and prepared jointly by Lessor and Lessee.

1. Description and Grant. In consideration of a cash bonus in hand paid, the receipt and adequacy of which is hereby acknowledged, and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called "leased premises," To wit:

SEE EXHIBIT "A" ATTACHED HERETO FOR DESCRIPTION OF LEASED PREMISES

in the County of Tarrant, State of Texas, containing 7.8252 gross acres, more or less, for the purpose of exploring for, developing, producing and marketing oil and gas along with all hydrocarbon and nonhydrocarbon substances produced in association herewith. The term "gas" as used herein includes helium, carbon dioxide, gaseous sulfur compounds, coalbed methane and other commercial gases, as well as a normal hydrocarbon gases. In addition to the above-described land, this lease and the term "leased premises" also covers and includes all land if any, contiguous, adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, accretion, unrecorded instrument or otherwise, or (b) as to which Lessor has a preference right of acquisition, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any payments pursuant to this Lease based on acreage, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. Term of Lease. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof. During such primary term no operations, production or other actions on behalf of Lessee shall be required to maintain this Lease in effect.

3. Royalty. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty-five percent (25.00%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be twenty-five percent (25.00%) of the proceeds realized by Lessee from the sale thereof, provided that Lessee shall have the continuing right to sell such production to itself or an affiliate at the prevailing wellhead market price for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase arrangements entered into on the same or nearest preceding date as the date on which Lessee or its affiliate commences its purchases hereunder; and (c) in calculating royalties on production hereunder, Lessee may deduct Lessor's proportionate part of any production and excise taxes.

4. Shut-in Royalty. If at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut in or production therefrom is not being sold by Lessee, then Lessee shall pay an aggregate shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations on or production from another well or wells on the leased premises or lands pooled therewith, or by the terms of the *force majeure* provisions of this Lease, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations, production or condition of *force majeure*. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. All shut-in royalty payments under this lease shall be paid or tendered directly to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this Lease if the shut-in well(s) were producing. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders by deposit in the U.S. Mails in a stamped envelope addressed to the last address known to Lessee shall constitute proper payment.

5. Operations. If at any time within ninety (90) days prior to the expiration of the primary term Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or drilling operations for an additional well or for otherwise obtaining, restoring or increasing production on the leased premises or lands pooled therewith within ninety (90) days after completion of operations on such dry hole or within ninety (90) days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain, restore or increase production from the leased premises or lands pooled therewith, this lease shall remain in force so long as any one or more of such operations are prosecuted with no interruption of more than ninety (90) consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to reservoirs then capable of producing in paying quantities on the leased premises or land pooled therewith, or (b) protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Pooling. Lessee shall have the right, but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of drilling or production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The creation of a unit by such pooling shall be based on the following criteria (hereinafter called "pooling criteria"): A unit for an oil well (other than a horizontal) shall not exceed 40 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purposes of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more pre barrel, based on a 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil or gas well in which

the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. To exercise its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of or interest in the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. In the event a unit is formed hereunder before the unit well is drilled and completed, so that the applicable pooling criteria are not yet known, the unit shall be based on the pooling criteria Lessee expects in good faith to apply upon completion of the well; provided that within a reasonable time after completion of the well the unit shall be revised if necessary to conform to the pooling criteria that actually exists. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. To revise a unit hereunder, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. Payment Reductions. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties, and shut-in royalties payable hereunder for any well on any part of the leased premises or land pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises. To the extent any royalty or other payment attributable to the mineral estate covered by the lease is payable to someone other than Lessor, such royalty or other payment shall be deducted from the corresponding amount otherwise payable to Lessor hereunder.

8. Ownership Changes. The interest of either Lessor or Lessee may be assigned, devised or otherwise transferred in whole or in part by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until sixty days after Lessee has been furnished the original or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee. In the event of the death of any person entitled to a shut-in royalty or royalty payment hereunder, Lessee may pay or tender such shut-in royalty or royalty to the credit of decedent or decedent's estate at the last address known to Lessee. If Lessee transfers its interest hereunder in whole or in part, Lessee shall be relieved of all covenants and conditions thereafter existing with respect to the transferred interests, and failure of the transferee to satisfy such covenants and conditions with respect to the transferred interests shall not affect the rights of Lessee with respect to any interests not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the covenants and conditions hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Release of Lease. Lessee may, at any time and from time to time deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases less than all of the interest or area covered hereby, Lessee's obligations with respect to the covenants and conditions hereunder shall be proportionately reduced in accordance with the acreage interest retained hereunder.

10. Non-Surface Use Limitation. Lessee shall not conduct any surface operations upon any part of the surface of the leased premises. Lessee shall, however, have a sub-surface easement to horizontally drill under the surface of the leased premises. Notwithstanding anything contained herein to the contrary, however, Lessee shall have the right to conduct seismic operations on the leased premises, but only by utilizing the vibroseis-method.

11. Environmental Safeguards. Lessee shall employ such measures as would a reasonably prudent operator that are intended to reduce the impact of its operations upon improvements, vegetation and habitat on the leased premises. Lessee shall use reasonable care and safeguards as would a reasonably prudent operator in conducting its operations through or under the leased premises to prevent contamination or pollution from any waste, pollutant, or contaminant to any environmental medium, including soil, surface waters, groundwater, sediments, surface or subsurface strata, ambient air, or any other environmental medium in, on, or under the leased premises.

12. Visual Appearance. Lessee shall not permit the disposal of trash, storage of used equipment or other such materials on the leased premises.

13. Groundwater Protection. Any oil or gas wells drilled by Lessee that passes under and through the leased premises shall be drilled in compliance with the surface casing requirements imposed by the State of Texas for groundwater protection and Lessee shall install such surface casing in the required manner in order to insure the protection of all fresh water bearing formations in and under the leased premises.

14. Noise Abatement and Safety. Lessee shall act as a reasonably prudent operator in connection with the utilization of modern equipment with appropriate safeguards in its drilling, completion and producing operations and in connection with efforts to reduce noise levels and emissions.

15. Seismic Operations. Lessee shall pay for all actual physical damages to the leased premises which result from Lessee's seismic operations. Other than seismic operations as provided herein, by execution and delivery of this Lease Lessee does not otherwise obtain the right to conduct exploration, excavation or drilling operations from or upon the surface of any portion of the leased premises.

16. Laws, Ordinances and Regulations. In conducting its operations hereunder, Lessee shall comply with all applicable laws, ordinances, rules, orders or regulations imposed by federal, state and local government bodies entities and agencies having jurisdiction with respect thereto. Lessor hereby agrees that, in the event Lessee deems it necessary or advisable to seek a variance, waiver or other relief from any applicable laws, rules, regulations, ordinances or orders, including but not limited to those relating to well setback distance for drilling and production, then Lessor shall engage in reasonable acts and execute and deliver such instruments and documents Lessee deems necessary or convenient in seeking such relief. In the event Lessee is required by such authority to acquire Lessor's consent as a prerequisite to obtain such variance, waiver or other relief, Lessor hereby grants to Lessee and agrees that Lessee's leasehold estate acquired hereunder includes, the right to utilize this Lease as Lessor's consent to and ratification of any subsequent variance, waiver or other relief Lessee seeks with respect to a well or wells drilled or proposed to be drilled on the leased premises or lands pooled therewith without the necessity of Lessee obtaining any additional or subsequent consents from Lessor. Furthermore, Lessor agrees not to execute documents or instruments or engage in acts that would diminish or adversely affect the relief Lessee is so seeking.

17. Force Majeure. When drilling, reworking, production or other operations on the leased premises or lands pooled therewith are prevented or delayed by one or more of the following conditions (a "condition of *force majeure*"), to wit: (i) a law, ordinance, rule, regulation or order of a federal, state or local governmental body, entity or agency having or claiming jurisdiction with respect thereto; (ii) Lessee's inability to obtain necessary or advisable permits, equipment, services, material, water, electricity, fuel, access or easements; (iii) acts of God, fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes; (iv) Lessee's inability to obtain a satisfactory market for production, or price therefore; (v) Lessee's inability to gather, treat or transport production; (vi) the failure of purchasers or carriers to take or transport such production; or (vii) any other cause not reasonably within Lessee's control, then this lease shall not terminate because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any provisions or implied covenants of this lease when drilling, completion, production or other operations are so prevented or delayed. If this Lease is not then being held in effect by some other provision hereof, then drilling, reworking or other operations reasonably calculated to obtain, restore or increase production from the leased premises or lands pooled therewith must be commenced within ninety (90) days after such termination of such condition of *force majeure*.

18. Option to Extend Primary Term. Lessee is hereby given the exclusive option to extend the primary term of this lease for an additional two (2) years from the expiration of the original primary term plus any extension of the primary term extended under any lease provision contained herein. This option may be exercised by Lessee at any time during the last year of the original three year primary term, plus any extension period occurring as a result of other lease provisions contained herein, by paying to Lessor the sum, per net mineral acre, equal to (2/3) two-thirds of the original bonus payment per net mineral acre made by Lessee for the original three year primary term. Lessee shall exercise such option and such option shall be deemed to be properly, timely and fully exercised by Lessee if Lessee forwards written notice of such election along with the payment to Lessor by either, (i.) U.S. Mail, (ii.) Overnight Delivery Service, or (iii.) by personal delivery, postage prepaid, to Lessor's last known address, which, in either case, shall occur prior to the end of the primary term hereof, plus any extension period occurring as a result of other lease provisions contained herein.

19. Breach or Default. No litigation shall be initiated by Lessor for damages, forfeiture or cancellation with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or cancelled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

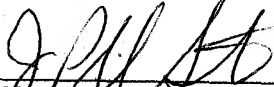
20. Warranty of Title. Lessor hereby agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessees' option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

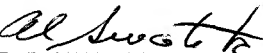
21. Existence, Authority and Authorization. Lessor and Lessee hereby represent and warrant that they are duly formed and existing entities as of the Effective Date. Lessor and Lessee hereby represent and warrant that they have full right and authority to enter into this Lease and that this Lease constitutes a valid and binding obligation of each of them. Lessor and Lessee represent and warrant that to their actual knowledge this Lease does not violate (i) any law, statute, rule, regulation, judicial or administrative decision, or (ii) any judgment, order, writ, injunction, or decree of any court, governmental body, administrative agency or arbitrator, which would prevent their entering into or fulfilling their obligations under this Lease. Each of Lessor and Lessee represent and warrant that (i) the person signing this Lease has full authority, authorization, and representative capacity to execute such Lease on behalf of such entity.


IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

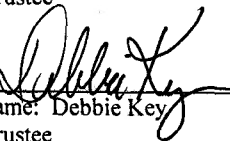
LESSOR:


First United Methodist Church of Mansfield, Texas


By: 
Print Name: Phil Stover
Title: Chairperson of Trustees

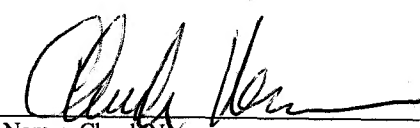
By: 
Print Name: Al Swatck
Title: Trustee

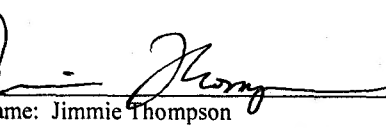
By: 
Print Name: Dwight King
Title: Trustee

By: 
Print Name: Debbie Key
Title: Trustee

By: 
Print Name: Hugh Calhoun
Title: Trustee

By: 
Print Name: Brian Baggett
Title: Trustee

By: 
Print Name: Chuck Newman
Title: Trustee

By: 
Print Name: Jimmie Thompson
Title: Trustee

ACKNOWLEDGEMENTS

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Phil Stover, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is Chairperson of Trustees of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March,
2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires: 5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared, Al Swack known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March,
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Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

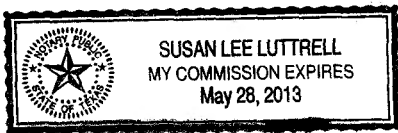
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Dwight King, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March, 2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

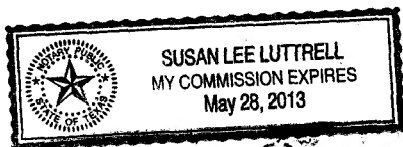
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Debbie Key, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March, 2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

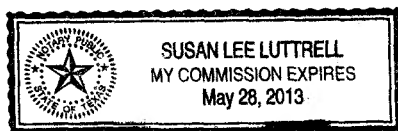
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Hugh Calhoun, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

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2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

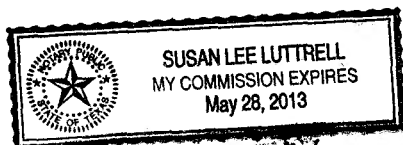
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Brian Baggett, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

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2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

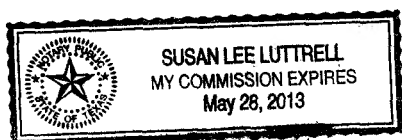
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Chuck Newman, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March,
2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

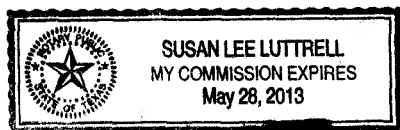
5/28/2013

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned Notary Public, personally appeared Jimmie Thompson, known to me to be the person whose name is subscribed herein above as Lessor, did depose and state that upon his oath that he is known as Trustee of First United Methodist Church of Mansfield, Texas, and that he executed the above and foregoing Oil and Gas Lease as the act and deed of First United Methodist Church of Mansfield, Texas, for the purposes and consideration therein expressed and with full authority to so act on behalf of First United Methodist Church of Mansfield, Texas.

Given under my hand and seal of office on the 9 day of March,
2010.



Susan Lee Luttrell
Notary Public, State of Texas

Susan Lee Luttrell
Printed Name of Notary

My Commission Expires:

5/28/2013

LESSEE:



 GRANITE RESOURCES, LLC

By: _____

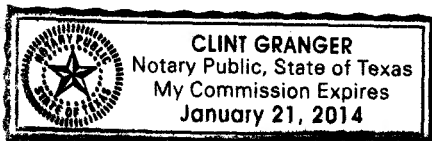
Print Name: David WolchanekTitle: Member

STATE OF TEXAS

COUNTY OF TARRANT

Before me, the undersigned Notary Public, personally appeared DAVID WOLCHANEK known to me to be the person whose name is subscribed herein above, and upon his oath, did depose and state that he is MEMBER of Granite Resources, LLC and that he executed the above and foregoing Oil and Gas Lease as the act and deed of Granite Resources, LLC for the purposes and consideration therein expressed and with full authority to so act on behalf of Granite Resources, LLC.

Given under my hand and seal of office on the 21 day of April,
2010.




 Notary Public, State of Texas

Clint Granger
 Printed Name of Notary
My Commission Expires: 1/21/2014

EXHIBIT "A"

Attached to and made a part of that certain Oil and Gas Lease (Paid-Up)
by and between FIRST UNITED METHODIST CHURCH OF MANSFIELD, TEXAS as Lessor
and Granite Resources, LLC, as Lessee

LEGAL DESCRIPTION

Being 7.8252 acres of land, more or less, in Tarrant County, Texas, being more particularly described, as:

Being 7.8252 acres of land, being all of that 16.086 acres, being Lot 1, Block 1R of the Faith Addition, an Addition to the City of Mansfield, Tarrant County, Texas, according to the plat thereof recorded in Cabinet A, Slide 3404, Plat Records, Tarrant County, Texas, being the same land described in that certain deed dated April 15, 1992, from Texas Commerce, National Associations to First United Methodist Church of Mansfield, Texas, Recorded in Volume 10611, Page 1885, Official Public Records of Tarrant County, Texas and that certain deed dated March 31, 1977, from Woodland West Village Homes, Inc. to Martin Hearne, Bill Payne, and Wendal Fox, Trustees for First United Methodist Church of Mansfield, Texas, Recorded in Volume 6211, Page 492, Official Public Records of Tarrant County, Texas

Save and Except : 8.2608 acres of land, more or less, being more particularly described in that certain deed dated October 6, 1972 from John Lee Roberts and wife, Gracie Roberts to Mansfield Industrial Park, Inc., Recorded in Volume 5335, Page 130, Official Public Records of Tarrant County, Texas

-- End of Exhibit "A" --

SUZANNE HENDERSON

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

GRANITE RESOURCES LLC
555 REPUBLIC DR 113
PLANO, TX 75074

Submitter: CLINT GRANGER

DO NOT DESTROY
WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 4/21/2010 2:45 PM

Instrument #: D210092765

LSE

10

PGS

\$48.00

By: _____

Suzanne Henderson

D210092765

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD